

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**PENSION COMMITTEE**

**WEDNESDAY, DECEMBER 16, 2015**

**AT 3:30 P.M.**

**IN THE MARY BRENNAN BOARD ROOM**

**AT T. F. GREEN AIRPORT**

**2000 POST ROAD, WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Pension Committee was called to order by Chair, Jon Savage at 3:30 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.**

**COMMITTEE MEMBERS PRESENT: Jon Savage, Chair of Committee, Kelly J. Fredericks, P.E., A.A.E., President and CEO and Jeffrey Wiggin.**

**COMMITTEE MEMBER ABSENT: None.**

**ALSO PRESENT: Sherri-Ann Penta, Human Resources Director; and those individuals listed on the attendance sheet attached hereto.**

**1. Approval of the Minutes:**

**A motion was made by Mr. Fredericks and seconded by Mr. Wiggin to approve the Minutes of the Pension Committee Meeting of November 18, 2015.**

**The motion passed unanimously.**

## **2. Action Item:**

### **(a) Consideration of and Action Upon Use of 414H Plan Savings.**

**Ms. Penta provided an overview of this item noting at the prior Pension Committee Meeting Principal Financial Group reported that the plan has grown significantly resulting in Principal offering savings of approximately \$25,000. Ms. Penta reported these savings can be utilized in one of two ways. The first option consists of creating a ERISA budget to pay for plan expenses and investment fees which are currently paid for from RIAC's General Purpose Fund and the second option consists of changing the investment platforms to lower participant investment costs. It was noted the savings would be distributed evenly amongst all plan participants resulting in de minimis allocation. There was additional discussion on the current plan and the industry standard to use such saving as set forth in option 1. Mr. Wiggin stated option 2 might allow for lower investment fees for plan participants and would potentially allow for increased savings for the participants in the long term.**

**A motion was made by Mr. Savage and seconded by Mr. Fredericks to approve the following resolution:**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) offers a 414(h) retirement plan through Principal Financial Group (PFG); and**

**WHEREAS, due to the size/growth of the principal of the 414(h) retirement plan, PFG has offered savings to RIAC; and**

**WHEREAS, the industry standard for using such savings is to offset plan operating expenses and investment advisor fees; and**

**WHEREAS, to use these savings to pay such expenses and fees an ERISA Budget needs to be established within the plan.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Committee approves the President and CEO, or his designee, to enter into an agreement with Principal Financial Group to update the plan to add an ERISA Budget, subject to Board approval.**

**The motion was passed by two affirmative votes, with one Committee Member opposed. The vote was as follows:**

**YEAS: Jon Savage**

**Kelly J. Fredericks**

**NAYS: Jeff Wiggin**

**RECUSE: None**

**3. Future Meetings:**

**The next meeting will be announced.**

**6. Adjournment:**

**At approximately 3:43 p.m. a motion was made by Mr. Wiggin and seconded by Mr. Fredericks to adjourn the meeting. The motion was passed unanimously.**

**Respectfully submitted,**

**Jon Savage, Chair  
Pension Committee**

**Rhode Island Airport Corporation**

**ATTENDANCE SHEET**

**RHODE ISLAND AIRPORT CORPORATION**

**PENSION COMMITTEE MEETING**

**WEDNESDAY, DECEMBER 16, 2015**

| <b>NAME</b> | <b>AFFILIATION</b> |
|-------------|--------------------|
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|                      |             |
|----------------------|-------------|
| <b>Peter Frazier</b> | <b>RIAC</b> |
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| <b>Brian Schattle</b> | <b>RIAC</b> |
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| <b>Liberty Luciano</b> | <b>RIAC</b> |
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